

SEP 22 2008

AIR QUALITY  
PROGRAMSeptember 18<sup>th</sup>, 2008

Department of Environment and Natural Resources

PMB 2020

Joe Foss Building

523 East Capitol

Pierre, South Dakota 57501-3182

Gentlemen

I am writing in reference to your letter of September 10, 2008 concerning the application by Hyperion Resources for a preconstruction permit for the Hyperion Energy Center in Union County, South Dakota. I have several questions concerning this issue. They are not listed in any particular priority, but are questions that I believe should be answered by Hyperion Resources before you issue a permit.

1. Does Hyperion have the expertise in constructing an oil refinery? If not then it leads me to believe that the facts and figures they have listed on their permit are merely data manufactured to comply with the requirement to submit an application for you to approve.
2. Why haven't they listed the equipment manufacturer that will construct the major portions of the IGCC facility? Without this information, how can one arrive at factual data concerning the emissions output of the facility. Different manufacturers have different standards of construction.
3. Has Hyperion said whether this equipment will be newly manufactured or will it be remanufactured or used? From research that I've done on this, it seems that it is common practice in the industry to utilize equipment from abandon refineries to build or remodel refineries to save on cost. This I believe is a significant factor on the emissions by the proposed facility.
4. Why haven't they named a general contractor for this construction project? I should think this would be a major concern since that can be a determining factor on the quality of workmanship for this facility which in turn will possibly change the data that Hyperion has submitted on their emissions data.

5. How does DENR plan to compare data for approval of a permit when there is no operational IGCC facility that I know of in the United States to compare it to?
6. Why hasn't Hyperion Resources submitted an Environmental Impact Statement for this project and why doesn't the state of South Dakota require that they submit one?
7. Doesn't the EPA under the Clean Air Act require an (EIS) be filed in conjunction with their application?
8. If Hyperion changes any portion of the permit will the state require that they submit updated data to reflect this change, and if they do make significant changes will they be required to reapply for another permit since the data will change?
9. If Hyperion says that it is not economically or technically feasible to build an IGCC facility and requests to just build a coal fired power plant, how will this affect their application?
10. If there isn't an operational facility anywhere in the world, how did Hyperion come up with the data that was submitted in their request? Is it a best guess answer?
11. Does Hyperion plan to use Carbon Capture and Sequestration in conjunction with IGCC? If they do where will the carbon dioxide be sequestered? Isn't that an important question that needs to be asked and answered during the permitting process?
12. Rather than using BACT standards for pollution control why isn't Hyperion required to use the more stringent LAER standards?

If you have any questions, you are free to contact me at any of the numbers listed below or through my email address. I am also sending this via email to ensure that you receive this in a timely manner.

Sincerely yours

  
Doug Maurstad

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